

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

DOCKET NO. R97-1

**FIRST SET OF INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS FROM UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS TAKIS
(UPS/USPS-T41-1 through 3)**

(August 4, 1997)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatory and request for production of documents directed to United States Postal Service witness Takis (UPS/USPS-T41-1 through 3).

Respectfully submitted,



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Of Counsel.

**INTERROGATORY OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS TAKIS**

UPS/USPS-T41-1. Please confirm that use of Equation (7) on page 20 of your direct testimony can lead to significant understatement or overstatement of TY1998(AR) incremental costs. As an example, please confirm that if the Postal Service made a major expenditure on a fixed cost item for the purpose of reducing its variable cost, then volume variable costs would go down while incremental costs could rise.

UPS/USPS-T41-2. Please confirm that Equation (10) on page 23 of your direct testimony refers to the natural logarithm.

UPS/USPS-T41-3. Please confirm that the units in the table titled "Specific Fixed Costs Associated with Priority Mail and Express Mail (BY1996)," on page 26 of your direct testimony, are thousands and not millions. As an example, please confirm that the first number should be \$64,236 thousand (i.e., \$64,236,000) and not \$64,236 million (i.e., \$64,236,000,000).

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with section 12 of the Commission's Rules of Practice.


Stephanie Richman

Dated: August 4, 1997
Philadelphia, Pa.